

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5774-01
Bill No.: HB 2149
Subject: Professional Registration and Licensing; Contracts and Contractors
Type: Original
Date: February 22, 2016

Bill Summary: This proposal creates provisions relating to electrical contractor certificates.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Professional Registration Fees Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

*Income and Expenses net zero.

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	(Unknown, Greater than \$100,000)	(Unknown, Greater than \$100,000)	(Unknown, Greater than \$100,000)

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Officials from the **County of St. Louis** assume programming costs to their master permit system to recognize a state license will be required. Costs are undetermined but expected to be substantial. Additional inspection staff would be needed as inspection time increases if contractors are licensed to work in St. Louis County but have not had to strictly comply with the codes in the past. Costs would be incurred if a complaint is filed and several staff members including their attorney would need to travel to administrative hearings to present evidence to support charges filed with the board. Approximately \$75,000 annually for an inspector. If passed, the proposal would remove about \$60,000 annually. Revenue would be lost from license fees as their local license would be made irrelevant. These fees fund the position responsible for licensing and maintaining the bond and insurance. The workload would not decrease because a position is still needed to maintain the state license holders in a data base for permit issuance as well as verification of open permits pursuant to 324.935.1(3).

Oversight assumes this proposal will result in a negative fiscal impact of Unknown, Greater than \$100,000 to local political subdivisions.

Oversight assumes this proposal may increase Total State Revenue through the collection of electrical contractor certificate fees, as set by the Department of Insurance, Financial Institutions and Professional Registration. For fiscal note purposes, Oversight will assume that the certificate fees collected will cover the administrative costs associated with issuing the certificates.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
PROFESSIONAL REGISTRATION FEES FUND			
<u>Income</u> - Certificate Fees	Unknown	Unknown	Unknown
<u>Expenses</u> - Administrative Costs of issuing Certificates	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON PROFESSIONAL REGISTRATION FEES FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2017 (10 Mo.)	 FY 2018	 FY 2019
LOCAL POLITICAL SUBDIVISIONS			
<u>Loss</u> - Reduction of local License Fees	(Unknown)	(Unknown)	(Unknown)
<u>Costs</u> - Programming and administrative costs associated with permits issued to state licensed contractors	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>(Unknown, Greater than \$100,000)</u>	<u>(Unknown, Greater than \$100,000)</u>	<u>(Unknown, Greater than \$100,000)</u>

FISCAL IMPACT - Small Business

This proposal may fiscally impact electrical companies.

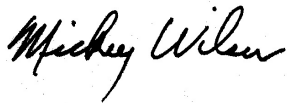
FISCAL DESCRIPTION

This bill specifies that the Division of Professional Registration within the Missouri Department of Insurance, Financial Institutions and Professional Registration must issue an electrical contractor certificate to a holder of a current and active electrical contractor license issued by any political subdivision of this state whose requirements are equal to or exceed the requirements for obtaining an electrical contractor license on August 28, 2014, in St. Louis County.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

County of St. Louis



Mickey Wilson, CPA
Director
February 22, 2016

Ross Strobe
Assistant Director
February 22, 2016